

THE PRESIDENT'S INTELLIGENCE REVIEW

**ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY**



29 MAY - 2 JUNE 1964

~~TOP SECRET~~

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2 June 1964

1. Laos: The military lull continues. Poor weather has made movement on both sides difficult and held down air strikes by the Lao Air Force.

The consultations in Vientiane suggested by the British have got under way. The Indians showed up, but the French did not.

Souphannouvong, viewing with satisfaction his recent military gains, has now sent word to Souvanna Phouma that he is ready to talk.

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This little carrot follows Souphannouvong's action Saturday in withdrawing all remaining Pathet Lao from Vientiane. Implicit in this was the threat to set up a separate Laotian government with Communist and left-leaning neutralists, which we know has been under consideration.

Rightists in Vientiane, who do not trust Souvanna, are letting it be known that there could be another, and more complete, coup if there is any backsliding on his part.

2. Congo: The Congolese Army, disorganized and spiritless as it is, is still holding on in Kivu.

The insurgents are some 15-20 miles away, and two companies of Congolese soldiers are dug in between there and Bukavu. The insurgents could outflank these positions by moving through neighboring Rwanda or by reaching some sort of agreement with the Mwami of Kabare, who really runs things in this part of Kivu.

However this comes out, it has not added luster to the already cloudy reputation of the Congolese Army. Even Mobutu, long its principal booster, now admits it is "worthless."

Its record in Kivu will only stimulate antigovernment activity elsewhere. Things are already stirring in nearby Stanleyville.

Bad as the military situation is, the political situation is as bad or even worse in the opinion of the Belgians. In their eyes the Adoula government is totally inept and needs an infusion of new blood before it will be able to re-establish anything approaching political authority.

3. South Vietnam: Khanh has disposed of the case of the four generals detained since the January coup by setting them free in return for a pledge of loyalty and then putting them on ice by assigning them to a special staff in Dalat with no visible functions.

(Cont'd)

This action, though long needed, will not of itself free Khanh from the many political and religious problems which hound him.

Big Minh, for example, is taking soundings among Saigon's political opportunists. Khanh is aware of this and Minh may wind up as an ambassador in a quiet spot abroad.

The trial of Major Dang Sy, opening Tuesday, touches a sore spot between Catholic and Buddhist, and will give extremists in both camps something to scream about.

Military activity has been at a relatively low level the past few days.

4. Cuba-USSR: With the Cubans now in control of air defense radars in central Cuba and with their training cycle on the SAMs about over, the withdrawal of additional Soviet military personnel is getting under way.

Four ships with up to 1,000 passengers left Cuba for the USSR during May. There are four more ships en route or in Cuban ports now,



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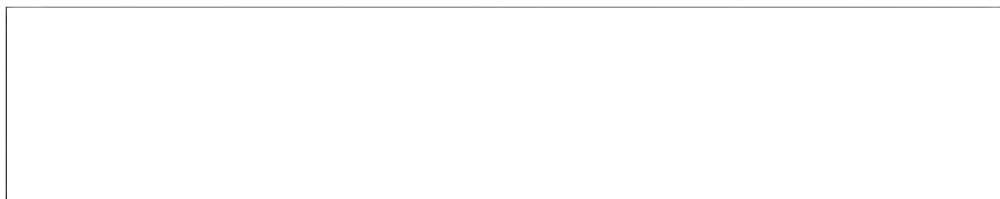
5. India: To Lal Bahadur Shastri, who has spent most of his career as somebody else's deputy, falls the job of guiding India through its first change of leadership.

His talent for conciliation and the wide support he enjoys should help him to maintain the legacy for stability for some time.

6. Tanganyika-Zanzibar: The return of energetic Foreign Minister Kambona has brought new impetus to consummating the five-week-old union. He has appointed union ambassadors to several major countries, including the US, and first steps have been taken to begin amalgamating the armies and police.

These, however, have not had much effect on the reluctant Zanzibaris, who on their island continue to act very much as if no union ceremony was ever performed.

Babu, who still thinks of himself as a foreign minister, has ordered that all cloves--the island's main export--be sold in Zanzibar's name, not the union's. He is also negotiating a trade agreement between Communist China and "the Peoples' Republic of Zanzibar."



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7. South Korea: President Pak has rejected Kim Chong-pil's latest offer to resign and seems as determined as always to retain Kim in one capacity or another.

Though this episode leaves Kim and his militant supporters in a strong position, his many opponents still have their sights trained on him, and on Pak.

8. Cyprus: Anti-British feeling among the Greek Cypriots is still running high, although street rallies against them have tapered off.



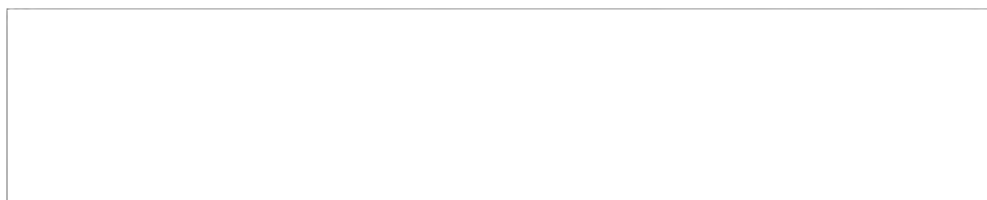
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The future of the UN force comes before the Security Council next week. Makarios and the Greeks have let it be known they are for a three-month extension, but would like to see its terms of reference amended. So would the Turks, though not in the same way.

The Turkish Army is about to begin another exercise in the area opposite Cyprus, which will send temperatures up again.

9. Algeria: Ben Bella's opposition, though still badly divided, is stirring again. His opponents think they have an issue now in Ben Bella's growing identification with pro-Soviet causes.

This is not wildly popular in Algeria and Defense Minister Boumedienne has let it be known that he disagrees completely with his chief on this score. We have long thought the ambitious Boumedienne would emerge eventually as Ben Bella's chief rival.



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10. Indonesia-Malaysia: Not all the details for a Maphilindo summit meeting have been worked out and hitches could still develop.

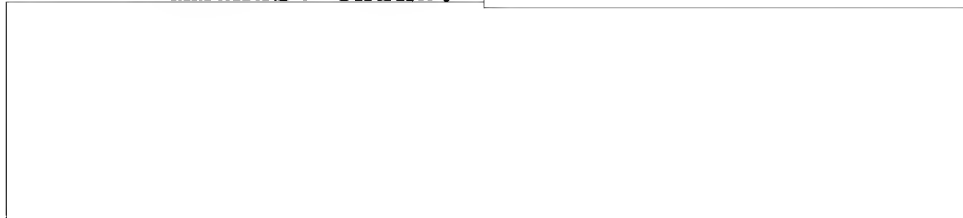
All Sukarno, the chief proponent, has agreed to so far is to "begin" to withdraw his guerrillas from Malaysian soil. Any further withdrawals are conditioned on how the talks go.

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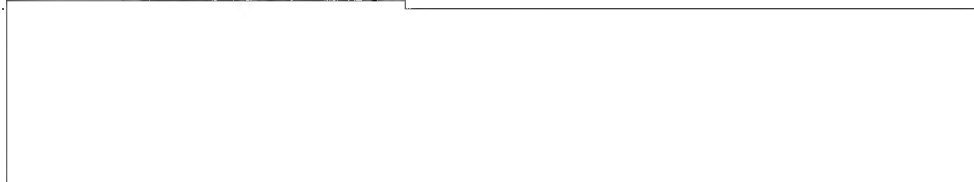
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11. Communist China:



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12. Jordan-USSR:



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13. USSR: A Soviet signal intelligence ship, the first to appear in Southeast Asian waters, is, we believe, monitoring communications from the SEATO amphibious exercise now under way.
14. USSR: The Soviets fired three, possibly four, ICBMs from Tyuratam [redacted] Saturday, including the two new ones that have been under test recently. [redacted]
15. Argentina: The General Confederation of Labor beginning Tuesday intends to stage a series of brief sit-ins at various public service facilities. The government, caught between labor pressures and rising public and employer criticism, has put the unions on notice that force may be used to prevent interference with public utilities.
- [redacted]
17. Cuba-Sweden: SKF has agreed to supply nearly a million dollars worth of badly needed bearings to Cuba, and the total contract could run a good deal higher.

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